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BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2004-357-W/S

RECEIVED  
2004 DEC 17 PM 4:30  
SOUTH CAROLINA  
PUBLIC SERVICE  
COMMISSION

IN RE:

Application of Carolina Water Service,  
Inc. for adjustment of rates and charges  
and modification of certain terms and  
conditions for the provision of water and  
sewer service.

APPLICATION

Carolina Water Service, Inc. ("Applicant" or "Company") would respectfully show unto, and  
request of, the Commission as follows:

**BACKGROUND**

1. Applicant is a corporation organized and existing under the laws of the State of Delaware and authorized to do business in the State of South Carolina.
2. Applicant is a public utility, as defined by S.C. Code Ann. § 58-5-10(3) (Supp. 2003), providing water and sewer service to the public for compensation in certain areas of South Carolina pursuant to rates approved by the Commission in Docket No. 2000-207-W/S.
3. All communications or inquiries regarding this Application should be directed as set forth below:

a. **Applicant's Representative:**

Mr. Steven M. Lubertozzi  
Vice President  
Regulatory Matters  
Utilities, Inc.  
2335 Sanders Road  
Northbrook, Illinois 60062-6196

b. **Legal Counsel:**

John M. S. Hoefer, Esquire  
Willoughby & Hoefer, P.A.  
Post Office Box 8416  
Columbia, South Carolina 29202-8416  
(803) 252-3300

**REQUEST FOR RATE RELIEF AND RATE SCHEDULE MODIFICATIONS**

4. Pursuant to S.C. Code Ann. § 58-5-240 (Supp. 2003) and 26 S.C. Code Ann. Regs. RR. 103-712.4.A (1976, as amended) and 103-512.4.A (Supp. 2003), Applicant requests that the Commission approve an increase in its monthly water and sewer service charges as set forth in the eight (8) page rate schedule attached hereto and incorporated herein by this reference as Exhibit "A". Also, pursuant to R. 103-703 and 26 S.C. Code Ann. Regs. R. 103-503 (1976), Applicant proposes a modification to the terms and conditions under which a tenant will be billed for water and sewer services to comport with current S.C. Code Ann. §27-33-50 (Supp. 2003), as same may be amended in the future. Finally, pursuant to 26 S.C. Code Ann. Regs. R. 103-703 (1976), Applicant proposes to add language requiring its water customers to conduct cross connection testing, and to add a charge for same if such inspections are undertaken by Applicant, to meet the requirements of 24A S.C. Code Ann. Regs. R. 61-58.7.F.8.

**SUPPORTING DOCUMENTATION**

5. Applicant proposes a test year of July 1, 2003 to June 30, 2004 and has prepared certain financial statements relating to that time period in support of the Application, which statements are attached hereto and incorporated herein by this reference as Exhibit "B", pages 1 through 10. These financial statements include the following:

- a. Balance Sheet (Schedule A),
- b. Current and pro forma income and expense statements (Schedule B), and
- c. Rate base and resulting rate of return calculations based upon proposed rates (Schedule C).<sup>1</sup>

Applicant also submits, as Exhibit "B" pages 11 through 15, the following information in support of the Application:

- d. Water and sewer consumption analyses (Schedule D)
  - e. Water and sewer proposed revenues (Schedule E)
  - f. Schedule of current and projected customers (Schedule F)
6. Attached hereto and incorporated herein by this reference as Exhibit "C" are the most recent approval letters from the South Carolina Department of Health and Environmental Control ("DHEC").
  7. Attached hereto and incorporated herein by this reference as Exhibit "D" is the Company's current customer bill form.
  8. There is on file with this Commission a performance bond given to satisfy the requirements of S.C. Code Ann. § 58-5-720 (Supp. 2000).
  9. A map depicting Applicant's current service area is on file with the Commission.
  10. The financial statements, the other documents submitted herewith, and the references to documents on file with the Commission are offered to comply with Commission Rules R.103-

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<sup>1</sup>These calculations are for informational purposes only as Applicant will submit evidence with respect to proper returns on equity and rate base at hearing.

512.4 and R. 103-712.4 and to provide information useful to the Commission in considering the reasonableness of the proposed rate schedule.<sup>2</sup>

### **NEED AND JUSTIFICATION FOR RATE RELIEF AND RATE SCHEDULE MODIFICATIONS**

11. Applicant submits that the proposed water and sewer rate increases are necessary in order that it may provide reasonable and adequate service to its customers. The rates proposed are also necessary to comply with standards and regulations set by DHEC and other governmental agencies which regulate the environmental aspects of Applicant's business. Applicant further submits that the proposed rates are necessary to enable it to earn a reasonable return on its investment and to attract capital for future improvements. Said rates will preserve the financial integrity of the Applicant, promote continued investment in and maintenance of its facilities, and thereby permit Applicant to continue providing reliable and high quality water and sewer services. The proposed rate schedule modifications are needed (a) to recognize provisions of law and regulation, enacted or promulgated since Applicant's last rate case, directly pertaining to the services provided by Applicant and (b) to provide reasonable methods by which Applicant may recover the costs of compliance with such laws and regulation in the event that the responsible person(s) fail to do so.

### **REQUEST FOR RATE BASE TREATMENT**

12. Applicant further submits that given its substantial plant investment, and specifically the rate base reflected on Schedule C of Exhibit "B", Applicant is entitled to have the reasonableness

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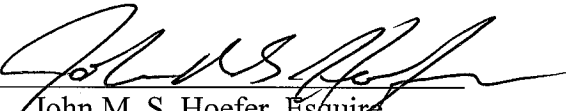
<sup>2</sup>Because Applicant utilizes a composite depreciation rate of 1 ½%, no depreciation schedule by categories of plant or average service lives exists. The Applicant will, of course, make available during the audit in this case copies of the Company's depreciation workpapers.

of its proposed rates determined in accordance with the rate of return on rate base methodology. Accordingly, Applicant requests rate base treatment in this proceeding.

**WHEREFORE**, having fully set forth its Application, Carolina Water Service, Inc. prays that the Commission approve the rates proposed and grant to Applicant such other and further relief as the Commission may deem just and proper.

Respectfully submitted,

**WILLOUGHBY & HOEFER, P.A.**

By:   
John M. S. Hoefer, Esquire  
Willoughby & Hoefer, P.A.  
Post Office Box 8416  
Columbia, SC 29202-8416  
(803) 252-3300

Attorneys for Carolina Water Service, Inc.

Columbia, South Carolina  
This 17<sup>th</sup> day of December, 2004.



EXHIBIT A

CAROLINA WATER SERVICE, INC.

PROPOSED SCHEDULE OF RATES AND CHARGES

WATER

1. Monthly Charges

Residential

Base Facilities Charge per single family  
house, condominium, mobile home  
or apartment unit:

\$10.25 per unit

Commodity Charge:

\$3.32 per 1,000  
gallons or 134 cft

Commercial

Base Facilities Charge  
by meter size:

5/8" meter	\$10.25
1"        °	\$25.62
1.5"     °	\$51.25
2"       °	\$82.00
3"       °	\$164.00
4"       °	\$256.25

Commodity Charge:

\$3.32 per 1,000  
gallons or 134 cft

Charges for Water Distribution Only

Where water is purchased from a government body or agency or other entity for  
distribution and resale by the Company, the following rates apply:

Residential

Base Facilities Charge per single family  
house, condominium, mobile home  
or apartment unit:

\$10.25 per unit

Commodity charge:

\$1.90 per 1,000  
gallons or 134 cft

PAGE TWOCommercial

Base Facilities Charge  
by meter size:

5/8" meter		\$10.25
1"        ◦		\$25.62
1.5"      ◦		\$51.25
2"        ◦		\$82.00
3"        ◦		\$164.00
4"        ◦		\$256.25

Commodity charge: \$1.90 per 1,000  
gallons or 134 cft

The Utility will also charge for the cost of water purchased from the government body or agency, or other entity. The charges imposed or charged by the government body or agency, or other entity providing the water supply will be charged to the Utility's affected customers on a pro rata basis without markup. Where the Utility is required by regulatory authority with jurisdiction over the Utility to interconnect to the water supply system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will also be charged to the Utility's affected customers on a pro rata basis, without markup.

Commercial customers are those not included in the residential category above and include, but are not limited to hotels, stores, restaurants, offices, industry, etc.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units (or in such other circumstances as the law may allow from time to time), which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

When, because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit separately, service will be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

## 2. Nonrecurring Charges

A) Water Service Connection (New connections only)	\$300 per SFE*
B) Plant Impact Fee (New connections only)	\$400 per SFE*



PAGE THREE

3. Account Set-Up and Reconnection Charges

- a. Customer Account Charge - for new customers only.

All Areas

\$ 13.50

b. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of thirty five dollars (\$35.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-732.5. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected. The reconnection fee shall also be due prior to reconnection if water service has been disconnected at the request of the customer.

4. Billing Cycle

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service, unless water supply is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving water system. In no event will the Utility be required to construct additional water supply capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding water supply capacity to the affected water system.

6. Cross Connection Inspection Fee

Any customer installing, permitting to be installed, or maintaining any cross connection between the Utility's water system and any other non-public water system, sewer or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2 (Supp. 2003), as may be amended from time to time. Such a customer shall annually have such cross connection inspected by a licensed certified tester and provide to Utility a copy of a written inspection report and testing results submitted by the certified tester in accordance with 24A S.C. Code

Ann. Regs. R.61—58.7.F.8.(Supp. 2003), as may be amended from time to time. Said report and results must be provided by the customer to the Utility no later than June 30<sup>th</sup> of each year. Should a customer subject to these requirements fail to timely provide such report and results, Utility may arrange for inspection and testing by a licensed certified tester and add the charges incurred by the Utility in that regard to the customer's next bill.

- \* A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities -- 25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2003), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

## SCHEDULE OF RATES AND CHARGES

SEWER

## 1. Monthly Charges

Residential - charge per single-family house, condominium, villa, or apartment unit:	\$40.92 per unit
Mobile Homes:	\$29.20 per unit
Commercial:	\$40.92 per SFE*

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

## Charge for Sewer Collection Only

When sewage is collected by the Utility and transferred to a government body or agency, or other entity, for treatment, the Utility's rates are as follows:

Residential - per single-family house, condominium, or apartment unit	\$26.15 per unit
Commercial - per single-family equivalent	\$26.15 per SFE*

The Utility will also charge for treatment services provided by the government body or agency, or other entity. The rates imposed or charged by the government body or agency, or other, entity providing treatment will be charged to the Utility's affected customers on a pro rata basis, without markup. Where the Utility is required under the terms of a 201/208 Plan, or by other regulatory authority with jurisdiction over the Utility, to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units (or in such other circumstances as the law may allow from time to time), which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

#### Solids Interceptor Tanks

For all customers receiving sewage collection service through an approved solids interceptor tank, the following additional charges shall apply:

##### A. Pumping Charge

At such time as the Utility determines through its inspection that excessive solids have accumulated in the interceptor tank, the Utility will arrange for pumping the tank and will include \$150.00 as a separate item in the next regular billing to the customer.

##### B. Pump Repair or Replacement Charge

If a separate pump is required to transport the customer's sewage from solids interceptor tank to the Utility's sewage collection system, the Utility will arrange to have this pump repaired or replaced as required and will include the cost of such repair or replacement and may be paid for over a one year period.

##### C. Visual Inspection Port

In order for a customer who uses a solids interceptor tank to receive sewage service from the Utility or to continue to receive such service, the customer shall install at the customer's expense a visual inspection port which will allow for observation of the contents of the solids interceptor tank and extraction of test samples therefrom. Failure to provide such a visual inspection port after timely notice of not less than thirty (30) days shall be just cause for interruption of service until a visual inspection port has been installed.

## 2. Nonrecurring Charges

- |  |                |
|--|----------------|
| A) Sewer Service Connection (New connections only) | \$300 per SFE* |
| B) Plant Impact Fee (New connections only)         | \$400 per SFE* |

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non residential customer is less than one (1). If the equivalency rating of a non residential customer is greater than one (1), then the

PAGE SEVEN

proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

### 3. Notification, Account Set-Up and Reconnection Charges

#### a. Notification Fee

A fee of four dollars (\$4.00) shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.

#### b. Customer Account Charge - for new customers only.

All Areas	\$ 13.50
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A one-time fee to defray the costs of initiating service. This charge will be waived if the customer also takes water service.

c. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of two hundred fifty dollars (\$250.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-532.4. Where an elder valve has been previously installed, a reconnection charge of thirty-five dollars (\$35.00) shall be due. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly service charge for the service period they were disconnected.

### 4. Billing Cycle

Recurring charges will be billed monthly, in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

### 5. Toxic and Pretreatment Effluent Guidelines

The Utility will not accept or treat any substance or material that has been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute

the Utility's minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

6. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into one of its sewer systems. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to an appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule and to comply with the guidelines and standards hereof, shall not be denied service, unless treatment capacity is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving sewer system.

In no event will the Utility be required to construct additional wastewater treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

\* A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Environmental Control Guidelines for Unit Contributory Loading for Domestic Wastewater Treatment Facilities --25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2003), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.



Charles L.A. Terreni  
Chief Clerk/Administrator  
Phone: (803) 896-5133  
Fax: (803) 896-5246

## The Public Service Commission State of South Carolina

CAROLINA WATER SERVICE, INC.

DOCKET NO. 2004-357 - W/S

COMMISSIONERS  
Randy Mitchell, Third District  
Chairman  
G. O'Neal Hamilton, Fifth District  
Vice Chairman  
John E. "Butch" Howard, First District  
David A. Wright, Second District  
Elizabeth B. "Lib" Fleming, Fourth District  
Mignon L. Clyburn, Sixth District  
C. Robert Moseley, At-Large

Utilities Department  
D. Wayne Burdett, Manager  
Phone: (803) 896-5125  
Fax: (803) 896-5199

### INFORMATION TO BE FILED WITH THE COMMISSION FOR AN INCREASE IN WATER AND OR SEWER RATES AND CHARGES (Revised 12-09-03 to add annual report requirements)

2004

Date/Init.

12/21/WR

12/21/WR

12/21/WR

12/21/WR

12/21/WR

12/21/WR

N/A - WR

12/21/WR

12/21/WR

12/21/WR

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12/21/WR

12/21/WR

12/21/WR

12/21/WR

12/21/WR

12/21/WR

1. A statement of reason justifying the need for proposed rate adjustment.
2. Most current available income and expense statement for the preceding twelve months.
3. Proposed rate schedule.
4. Test year proposed to be used. TYE: JUNE 30, 2004
5. Pro Forma income and expense statement using proposed rates applied to proposed test year.
6. Balance sheet.
7. Depreciation schedule by categories of plant or average service lives. COMPOSITE RATE = 1 1/2 %.
8. Number of present and expected customers in the following twelve months.
9. Cost justification for proposed rates and charges, including tap fees; with attached schedules depicting labor costs, materials costs, and miscellaneous costs.
10. Filing or updating performance bond in accordance with R.103-512.3 and or R.103-712-3.
11. Current or updated service area map.
12. Statement of total plant investment by categories.
13. Most recent letter of approval for the Department of Health and Environmental Control, dated not more than six (6) months prior to date of application.
14. Customer bill form.
15. All past due and current PSC annual reports must be on file with the Commission in accordance with R.103-512.1 and R.103-712.1. If not on file with the Commission, the annual reports must be filed with the application.
16. Any other pertinent or relevant information determined necessary by the Commission.



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Chief Clerk/Administrator  
Phone: (803) 896-5133  
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## The Public Service Commission State of South Carolina

CAROLINA WATER SERVICE, INC.

DOCKET NO. 2004-357-W/S

COMMISSIONERS  
Randy Mitchell, Third District  
Chairman  
G. O'Neal Hamilton, Fifth District  
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## LIABILITIES AND OTHER CREDITS

\$ 11,532,256	Common Stock and Paid In Capital	\$ 6,721,566
25,574,791	Retained Earnings	6,519,439
<u>\$ 37,107,047</u>	Total	<u>\$ 13,241,005</u>
(1,925,249)	Current and Accrued Liabilities	
(2,856,648)	Accounts Payable-Trade	106,053
	Taxes Accrued	58,445
<u>\$ (4,781,897)</u>	Customer Deposits	183,354
	Customer Deposits - Interest	245,763
	A/P - Assoc. Companies	3,279,453
<u>\$ 32,325,150</u>	Total	<u>\$ 3,873,068</u>
(217,337)	Advances In Aid of Construction	
(265,382)	Water	800
	Sewer	800
<u>\$ (482,719)</u>	Total	<u>\$ 1,600</u>
2,401	Contributions In Aid of Construction	
431,762	Water	4,470,535
	Sewer	10,724,811
<u>\$ 434,164</u>	Total	<u>\$ 15,195,347</u>
849,097	Accumulated Deferred Income Tax	
921,816	Unamortized ITC	285,286
12,676	Deferred Tax - Federal	1,597,390
	Deferred Tax - State	(75,300)
<u>\$ 1,783,589</u>	Total	<u>\$ 1,807,376</u>
58,211	TOTAL LIABILITIES AND OTHER CREDITS	\$ 34,118,395
<u>\$ 34,118,395</u>		

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
<b>Operating Revenues</b>					
Service Revenues - Water	1,820,651	0	1,820,651	180,854	2,001,504
Service Revenues - Sewer	3,760,081	0	3,760,081	1,634,674	5,394,755
Miscellaneous Revenues	106,827	0	106,827	0	106,827
Uncollectible Accounts	(42,869)	0	(42,869)	(14,040) [b]	(56,909)
<b>Total Operating Revenues</b>	<b>5,644,689</b>	<b>0</b>	<b>5,644,689</b>	<b>1,801,488</b>	<b>7,446,177</b>
<b>Maintenance Expenses</b>					
Salaries and Wages	756,849	236,761 [c]	993,610	0	993,610
Purchased Power	422,749	24,266 [k]	447,015	0	447,015
Purchased Sewer & Water	(465)	0 [k]	(465)	0	(465)
Maintenance and Repair	1,639,682	94,118 [k]	1,733,800	0	1,733,800
Maintenance Testing	42,738	2,453 [k]	45,191	0	45,191
Meter Reading	41,617	2,389 [k]	44,006	0	44,006
Chemicals	215,478	12,368 [k]	227,846	0	227,846
Transportation	63,939	16,435 [m]	80,373	0	80,373
Operating Exp. Charged to Plant	(267,522)	(83,688) [k]	(351,210)	0	(351,210)
Outside Services - Other	131,127	7,527 [k]	138,653	0	138,653
<b>Total</b>	<b>3,046,191</b>	<b>312,629</b>	<b>3,358,820</b>	<b>0</b>	<b>3,358,820</b>
<b>General Expenses</b>					
Salaries and Wages	290,536	35,479 [c]	326,015	0	326,015
Office Supplies & Other Office Exp.	166,391	9,551 [k]	175,942	0	175,942
Regulatory Commission Exp.	101,626	(60,482) [d]	41,144	0	41,144
Pension & Other Benefits	206,536	68,859 [c]	275,394	0	275,394
Rent	3,455	198 [k]	3,653	0	3,653
Insurance	149,328	8,571 [k]	157,900	0	157,900
Office Utilities	65,884	3,782 [k]	69,666	0	69,666
Miscellaneous	48,378	2,777 [k]	51,155	0	51,155
<b>Total</b>	<b>1,032,134</b>	<b>68,734</b>	<b>1,100,869</b>	<b>0</b>	<b>1,100,869</b>
Depreciation	589,941	79,436 [f]	669,377	0	669,377
Extraordinary Retirement	0	29,924 [f]	29,924	0	29,924
Taxes Other Than Income	464,537	21,371 [g]	485,908	32,680 [g]	518,588
Income Taxes - Federal	(93,708)	(57,716) [h]	(151,424)	571,325 [h]	419,901
Income Taxes - State	(23,876)	436 [h]	(23,440)	88,440 [h]	65,000
Amortization of ITC	(8,852)	0	(8,852)	0	(8,852)
Amortization of CIAC	(252,590)	15,286 [f]	(237,304)	0	(237,304)
<b>Total</b>	<b>675,452</b>	<b>88,737</b>	<b>764,190</b>	<b>692,445</b>	<b>1,456,635</b>
<b>Total Operating Expenses</b>	<b>4,753,778</b>	<b>470,101</b>	<b>5,223,879</b>	<b>692,445</b>	<b>5,916,323</b>
<b>Net Operating Income</b>	<b>\$ 890,911</b>	<b>\$ (470,101)</b>	<b>\$ 420,811</b>	<b>\$ 1,109,043</b>	<b>\$ 1,529,853</b>
Interest During Construction	(17,756)	17,756 [i]	0	0	0
Interest on Debt	735,428	395 [j]	735,823	0	735,823
<b>Net Income</b>	<b>\$ 173,240</b>	<b>\$ (488,252)</b>	<b>\$ (315,012)</b>	<b>\$ 1,109,043</b>	<b>\$ 794,031</b>

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
<b>Operating Revenues</b>					
Service Revenues - Water	\$ 1,820,651		\$ 1,820,651	\$ 180,854 [a]	\$ 2,001,504
Service Revenues - Sewer			0		0
Miscellaneous Revenues	31,199		31,199		31,199
Uncollectible Accounts	(13,705)		(13,705)	(1,361) [b]	(15,066)
<b>Total Operating Revenues</b>	<b>1,838,144</b>	<b>0</b>	<b>1,838,144</b>	<b>179,492</b>	<b>2,017,637</b>
<b>Maintenance Expenses</b>					
Salaries and Wages	279,731	87,492 [c]	367,223	0	367,223
Purchased Power	91,873	5,273 [k]	97,146	0	97,146
Purchased Water	59,618	0	59,618		59,618
Maintenance and Repair	127,483	7,318 [k]	134,801	0	134,801
Maintenance Testing	5,293	304 [k]	5,597	0	5,597
Meter Reading	41,617	2,389 [k]	44,006		44,006
Chemicals	79,641	4,571 [k]	84,212	0	84,212
Transportation	23,632	4,884 [m]	28,516	0	28,516
Operating Exp. Charged to Plant	(98,876)	(30,926) [k]	(129,802)	0	(129,802)
Outside Services - Other	48,464	2,782 [k]	51,246	0	51,246
<b>Total</b>	<b>658,475</b>	<b>84,088</b>	<b>742,563</b>	<b>0</b>	<b>742,563</b>
<b>General Expenses</b>					
Salaries and Wages	107,382	13,108 [c]	120,490	0	120,490
Office Supplies & Other Office Exp.	61,498	3,530 [k]	65,028	0	65,028
Regulatory Commission Exp.	37,561	(22,354) [d]	15,207	0	15,207
Pension & Other Benefits	76,336	25,446 [c]	101,782	0	101,782
Rent	1,277	73 [k]	1,350	0	1,350
Insurance	55,192	3,168 [k]	58,360	0	58,360
Office Utilities	24,351	1,398 [k]	25,748	0	25,748
Miscellaneous	17,880	1,026 [k]	18,907	0	18,907
<b>Total</b>	<b>381,477</b>	<b>25,395</b>	<b>406,872</b>	<b>0</b>	<b>406,872</b>
Depreciation	198,337	3,864 [f]	202,201		202,201
Extraordinary Retirement		29,924	29,924	0	29,924
Taxes Other Than Income	155,787	7,897 [g]	163,684	3,255 [g]	166,940
Income Taxes - Federal	(29,958)	93,401 [h]	63,442	56,925 [h]	120,367
Income Taxes - State	(7,633)	17,454 [h]	9,821	8,812 [h]	18,633
Amortization of ITC	(2,631)		(2,631)		(2,631)
Amortization of CIAC	(72,649)	8,003 [f]	(64,646)		(64,646)
<b>Total</b>	<b>241,252</b>	<b>160,543</b>	<b>401,796</b>	<b>68,992</b>	<b>470,788</b>
<b>Total Operating Expenses</b>	<b>1,281,205</b>	<b>270,026</b>	<b>1,551,231</b>	<b>68,992</b>	<b>1,620,223</b>
<b>Net Operating Income</b>	<b>\$ 556,940</b>	<b>\$ (270,026)</b>	<b>\$ 286,914</b>	<b>\$ 110,501</b>	<b>\$ 397,414</b>
Interest During Construction	(5,277)	5,277 [i]	0	0	0
Interest on Debt	219,188	(28,134) [j]	191,054	0	191,054
<b>Net Income</b>	<b>\$ 343,029</b>	<b>\$ (247,169)</b>	<b>\$ 95,860</b>	<b>\$ 110,501</b>	<b>\$ 206,360</b>

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
<b>Operating Revenues</b>					
Service Revenues - Water					
Service Revenues - Sewer	\$ 3,760,081	\$ -	\$ 3,760,081	\$ 1,634,674 [a]	\$ 5,394,755
Miscellaneous Revenues	75,628		75,628		75,628
Uncollectible Accounts	(29,164)		(29,164)	(12,679) [b]	(41,843)
<b>Total Operating Revenues</b>	<b>3,806,545</b>	<b>0</b>	<b>3,806,545</b>	<b>1,621,995</b>	<b>5,428,540</b>
<b>Maintenance Expenses</b>					
Salaries and Wages	477,117	149,269 [c]	626,387	0	626,387
Purchased Power	330,876	18,992 [k]	349,868	0	349,868
Purchased Sewer & Water	(60,083)	0	(60,083)		(60,083)
Maintenance and Repair	1,512,199	86,800 [k]	1,598,999		1,598,999
Maintenance Testing	37,445	2,149 [k]	39,594	0	39,594
Meter Reading	0	0 [k]	0		0
Chemicals	135,837	7,797 [k]	143,634	0	143,634
Transportation	40,307	11,550 [m]	51,857	0	51,857
Operating Exp. Charged to Plant	(168,646)	(52,762) [k]	(221,408)	0	(221,408)
Outside Services - Other	82,662	4,745 [k]	87,407	0	87,407
<b>Total</b>	<b>2,387,716</b>	<b>228,541</b>	<b>2,616,257</b>	<b>0</b>	<b>2,616,257</b>
<b>General Expenses</b>					
Salaries and Wages	183,154	22,371 [c]	205,525	0	205,525
Office Supplies & Other Office Exp.	104,893	6,021 [k]	110,914	0	110,914
Regulatory Commission Exp.	64,065	(38,128) [d]	25,937	0	25,937
Pension & Other Benefits	130,200	43,413 [c]	173,613	0	173,613
Rent	2,178	125 [k]	2,303	0	2,303
Insurance	94,137	5,403 [k]	99,540	0	99,540
Office Utilities	41,533	2,384 [k]	43,917	0	43,917
Miscellaneous	30,497	1,751 [k]	32,248	0	32,248
<b>Total</b>	<b>650,657</b>	<b>43,339</b>	<b>693,997</b>	<b>0</b>	<b>693,997</b>
Depreciation	391,605	75,572 [f]	467,176		467,176
Extraordinary Retirement	0	0	0		0
Taxes Other Than Income	308,750	13,474 [g]	322,224	29,424 [g]	351,648
Income Taxes - Federal	(63,749)	(151,117) [h]	(214,866)	514,401 [h]	299,534
Income Taxes - State	(16,243)	(17,018) [h]	(33,261)	79,629 [h]	46,368
Amortization of ITC	(6,221)		(6,221)		(6,221)
Amortization of CIAC	(179,941)	7,283 [f]	(172,658)		(172,658)
<b>Total</b>	<b>434,200</b>	<b>(71,806)</b>	<b>362,394</b>	<b>623,453</b>	<b>985,847</b>
<b>Total Operating Expenses</b>	<b>3,472,573</b>	<b>200,075</b>	<b>3,672,648</b>	<b>623,453</b>	<b>4,296,101</b>
<b>Net Operating Income</b>	<b>\$ 333,972</b>	<b>\$ (200,075)</b>	<b>\$ 133,897</b>	<b>\$ 998,542</b>	<b>\$ 1,132,439</b>
Interest During Construction	(12,479)	12,479 [i]	0	0	0
Interest on Debt	516,240	28,529 [j]	544,769	0	544,769
<b>Net Income</b>	<b>\$ (169,789)</b>	<b>\$ (241,083)</b>	<b>\$ (410,872)</b>	<b>\$ 998,542</b>	<b>\$ 587,670</b>

- [a] Revenues are annualized at proposed rates using the average test year customers.
- [b] Uncollectible Accounts are adjusted based on the percentage of uncollectible accounts to revenues in the test year applied to pro forma proposed revenues.
- [c] Salaries, Wages and Benefits are adjusted to annualize as of 6/30/04
- [d] Regulatory Commission Expense has been adjusted to reflect the cost of the current rate case over 3 years.
- [f] Depreciation and Amortization Expense are annualized.
- [g] Taxes Other than Income is adjusted for annualized payroll taxes, Utility Commission Taxes, and Gross Receipts Taxes.
- [h] Income Taxes are computed on taxable income at current rates.
- [i] AFUDC is eliminated for rate making purposes.
- [j] Interest on Debt has been computed using a 59.23% / 40.77% debt / equity ratio and a 7.28% cost of debt.
- [k] 5.74% cost of living increase to update year-end 2003 costs to present  
Percentage based on the Consumer Price Index for Water and Sewerage Maintenance  
as calculated by the Bureau of Labor Statistics, October 2004
- [l] Commission-ordered adjustment to account for extraordinary retirement of wells
- [m] Transportation expense related to new vehicles purchased for additional employees

	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	\$ 890,911	(470,101)	\$ 420,811	1,109,043	\$ 1,529,853
Gross Plant In Service	\$ 37,107,047		\$ 37,107,047	0	\$ 37,107,047
Removal of Wells	0	(277,315) [e]	(277,315)	0	(277,315)
Excess Book Value	0	(941,517) [d]	(941,517)	0	(941,517)
Accumulated Depreciation	(4,781,897)	35,529 [f]	(4,746,369)	0	(4,746,369)
Net Plant In Service	32,325,150	(1,183,302)	31,141,847	0	31,141,847
Cash Working Capital	567,857	50,343 [a]	618,200	0	618,200
Contributions In Aid of Construction	(15,195,347)	0	(15,195,347)	0	(15,195,347)
Accumulated Deferred Income Taxes	(1,522,090)	0	(1,522,090)	0	(1,522,090)
Customer Deposits	(183,354)	0	(183,354)	0	(183,354)
Plant Acquisition Adjustment	(482,719)	0	(482,719)	0	(482,719)
Water Service Corporation	130,433	(8,457) [e]	121,976	0	121,976
Plant Sample Items	0	(9,108) [e]	(9,108)	0	(9,108)
Capitalized Time Adjustment	0	356,696 [g]	356,696	0	356,696
Pro Forma Plant Capitalized after 6/30/04	0	171,885	171,885	0	171,885
Pro-Forma Vehicles for New Employees	0	138,000 [h]	138,000	0	138,000
Pro Forma Plant	0	1,918,185 [b]	1,918,185	0	1,918,185
Total Rate Base	\$ 15,639,930	\$ 1,434,241	\$ 17,074,171	\$ 0	\$ 17,074,171
Return on Rate Base	5.70%		2.46%		8.96%

[a] Working Capital is calculated based on pro forma expenses.

[b] Pro Forma Plant is adjusted for planned additional capital investments.

[c] The Return on Rate Base shown above is provided solely as a matter of information and convenience for the Commission and is not intended to reflect a request for this specific return on rate base (or any return on equity). Applicant will make its request for a return on rate base (and return on equity) by way of evidence to be introduced at hearing.

[d] Adjustment to recognize removal of Excess Book Value from Rate Base for ratemaking purposes

[e] Rate Base adjustments made per Docket No. 2000-207-W/S - Order No. 2001-887  
Adjustment includes disallowed Plant Sample Items and allocated WSC mail machine

[f] Adjustment to Accumulated Depreciation for Removal of Wells, EBV and post-6/30/04 Plant Additions

[g] Pro-Forma capitalized time

[h] Pro-Forma Vehicles for additional employees

	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	556,940	(270,026)	286,914	110,501	397,414
Gross Plant In Service	\$ 11,532,256		\$ 11,532,256	0	11,532,256
Removal of Wells	0	(277,315) [e]	(277,315)	0	(277,315)
Excess Book Value	0	(279,819) [d]	(279,819)	0	(279,819)
Accumulated Depreciation	(1,925,249)	18,451 [f]	(1,906,798)	0	(1,906,798)
Net Plant In Service	9,607,006	(538,682)	9,068,324	0	9,068,324
Cash Working Capital	149,467	14,673 [a]	164,140	0	164,140
Contributions In Aid of Construction	(4,470,535)	0	(4,470,535)	0	(4,470,535)
Accumulated Deferred Income Taxes	(587,068)	0	(587,068)	0	(587,068)
Customer Deposits	(67,768)	0	(67,768)	0	(67,768)
Plant Acquisition Adjustment	(217,337)	0	(217,337)	0	(217,337)
Water Service Corporation	48,206	(2,513) [e]	45,693	0	45,693
Plant Sample Items	0	(2,707) [e]	(2,707)	0	(2,707)
Capitalized Time Adjustment	0	131,835 [g]	131,835	0	131,835
Pro Forma Plant Capitalized after 6/30/04	0	36,312	36,312	0	36,312
Pro-Forma Vehicles for New Employees	0	41,014 [h]	41,014	0	41,014
Pro Forma Plant	0	291,348 [b]	291,348	0	291,348
Total Rate Base	\$ 4,461,972	\$ (28,721)	\$ 4,433,251	\$ 0	\$ 4,433,251
Return on Rate Base	12.48%		6.47%		8.96%

[a] Working Capital is calculated based on pro forma expenses.

[b] The Return on Rate Base shown above is provided solely as a matter of information and convenience for the Commission and is not intended to reflect a request for this specific return on rate base (or any return on equity). Applicant will make its request for a return on rate base (and return on equity) by way of evidence to be introduced at hearing.

[c] The Return on Rate Base shown above is provided solely as a matter of information and convenience for the Commission and is not intended to reflect a request for this specific return on rate base (or any return on equity). Applicant will make its request for a return on rate base (and return on equity) by way of evidence to be introduced at hearing.

[d] Adjustment to recognize removal of Excess Book Value from Rate Base for ratemaking purposes

[e] Rate Base adjustments made per Docket No. 2000-207-W/S - Order No. 2001-887  
Adjustment includes disallowed Plant Sample Items and allocated WSC mail machine

[f] Adjustment to Accumulated Depreciation for Removal of Wells, EBV and post-6/30/04 Plant Additions

[g] Pro-Forma capitalized time

[h] Pro-Forma Vehicles for additional employees



## Water Plant by Categories:

06/30/04

3011001 ORGANIZATION	\$ 82,784
3021002 FRANCHISES	15,808
3033020 LAND & LAND RIGHTS (Pump Plt)	500
3036010 LAND & LAND RIGHTS	179,689
3042011 STRUCTURES & IMPROVE.(Sourc Su	5,763
3043021 STRUCTURES & IMPROVE.(PUMP.PL	398,376
3044031 STRUCTURES & IMPROVE.(WTR. T.P	129,135
3072014 WELLS & SPRINGS	1,299,866
3113025 ELECTRIC PUMPING EQUIPMENT	1,076,673
3204032 WATER TREATMENT EQUIPMENT	583,530
3305042 DISTRIB. RESERVOIRS & STANDPIPI	1,068,231
3315043 TRANSMISSION & DISTRIB. MAINS	4,346,235
3335045 SERVICE LINES	1,204,943
3345046 METERS	300,330
3345047 METER INSTALLATIONS	32,190
3355048 HYDRANTS	190,019
3391088 UNIFORMS	819
3406150 COMP SYS AMORTIZATION	(761)
3406160 MICRO SYS AMORTIZATION	(586)
1041000 UTIL PLANT ACQUIRED/DISPOSED	40,963
3406090 OFFICE STRUCTURES & IMPROVEM	188,883
3406091 OFFICE FURNITURE & EQUIPMENT	63,144
3446095 LABORATORY EQUIPMENT	29,584
3466094 TOOLS, SHOP & MISC. EQUIPMENT	116,464
3466097 COMMUNICATION EQUIPMENT	37,418

Sub-Total	\$ 11,389,999
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3511001 ORGANIZATION	0
3537002 LAND & LAND RIGHTS	0
3542011 LIFT STATION	0
3547003 BUILDINGS & STRUCTURES	0
3547012 SPRAY IRRIGATION FACILITIES	0
3602006 SEWAGE SERVICE LINES	0
3602007 FORCE OR VACUUM MAINS	0
3612008 SEWER MAINS	0
3612010 MANHOLES	0
3804004 SEWER LAGOONS	0
3804005 SEWAGE TREATMENT PLANT	0
3824009 OUTFALL LINES	0
3907091 OFFICE FURNITURE & EQUIPMENT	26
3937094 TOOLS, SHOP & MISC. EQUIPMENT	5,162
3967097 COMMUNICATION EQUIPMENT	81

3917000 Transportation	121,257
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3406010 Mainframe Computer	3,029
3406020 Mini Computers	10,970
3406110 Comp Sys Cost	1,109
3406120 Micro Sys Cost	622

Total Plant	\$ 11,532,256
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Carolina Water Service of South Carolina  
Sewer Operations  
Rate Base and Rate of Return  
Test Year Ended June 30, 2004

Schedule C  
Page 3 of 3

	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	333,972	(200,075)	133,897	998,542	1,132,439
Gross Plant In Service	\$ 25,574,791		\$ 25,574,791	0	25,574,791
Removal of Wells	0	0 [e]	0	0	0
Excess Book Value	0	(661,698) [d]	(661,698)	0	(661,698)
Accumulated Depreciation	(2,856,648)	17,078 [f]	(2,839,570)	0	(2,839,570)
Net Plant In Service	22,718,143	(644,620)	22,073,523	0	22,073,523
Cash Working Capital	418,390	35,670 [a]	454,060	0	454,060
Contributions In Aid of Construction	(10,724,811)	0	(10,724,811)	0	(10,724,811)
Accumulated Deferred Income Taxes	(935,022)	0	(935,022)	0	(935,022)
Customer Deposits	(115,586)	0	(115,586)	0	(115,586)
Plant Acquisition Adjustment	(265,382)	0	(265,382)	0	(265,382)
Water Service Corporation	82,227	(5,944) [e]	76,283	0	76,283
Plant Sample Items	0	(6,401) [e]	(6,401)	0	(6,401)
Capitalized Time Adjustment	0	224,861 [g]	224,861	0	224,861
Pro Forma Plant Capitalized after 6/30/04	0	135,572	135,572	0	135,572
Pro-Forma Vehicles for New Employees	0	96,986 [h]	96,986	0	96,986
Pro Forma Plant	0	1,626,837 [b]	1,626,837	0	1,626,837
Total Rate Base	\$ 11,177,958	\$ 1,462,962	\$ 12,640,920	\$ 0	\$ 12,640,920
Return on Rate Base	2.99%		1.06%		8.96%

[a] Working Capital is calculated based on pro forma expenses.

[b] Pro Forma Plant is adjusted for planned additional capital investments.

[c] The Return on Rate Base shown above is provided solely as a matter of information and convenience for the Commission and is not intended to reflect a request for this specific return on rate base (or any return on equity). Applicant will make its request for a return on rate base (and return on equity) by way of evidence to be introduced at hearing.

[d] Adjustment to recognize removal of Excess Book Value from Rate Base for ratemaking purposes

[e] Rate Base adjustments made per Docket No. 2000-207-W/S - Order No. 2001-887  
Adjustment includes disallowed Plant Sample Items and allocated WSC mail machine

[f] Adjustment to Accumulated Depreciation for Removal of Wells, EBV and post-6/30/04 Plant Additions

[g] Pro-Forma capitalized time

[h] Pro-Forma Vehicles for additional employees

## Sewer Plant by Categories:

06/30/04Exhibit B  
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3391088 UNIFORMS	1,397
3406150 COMP SYS AMORTIZATION	(1,298)
3406160 MICRO SYS AMORTIZATION	(1,000)
1041000 UTIL PLANT ACQUIRED/DISPOSED	69,868
3406090 OFFICE STRUCTURES & IMPROVEM	322,165
3406091 OFFICE FURNITURE & EQUIPMENT	107,699
3446095 LABORATORY EQUIPMENT	50,459
3466094 TOOLS, SHOP & MISC. EQUIPMENT	198,645
3466097 COMMUNICATION EQUIPMENT	63,821

Sub-Total	\$ 811,755
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3511001 ORGANIZATION	28,810
3537002 LAND & LAND RIGHTS	111,048
3542011 LIFT STATION	2,949,766
3547003 BUILDINGS & STRUCTURES	62,212
3547012 SPRAY IRRIGATION FACILITIES	8,767
3602006 SEWAGE SERVICE LINES	1,677,225
3602007 FORCE OR VACUUM MAINS	1,714,785
3612008 SEWER MAINS	9,036,102
3612010 MANHOLES	1,101,221
3804004 SEWER LAGOONS	502,582
3804005 SEWAGE TREATMENT PLANT	7,238,469
3824009 OUTFALL LINES	89,413
3907091 OFFICE FURNITURE & EQUIPMENT	45
3937094 TOOLS, SHOP & MISC. EQUIPMENT	8,804
3967097 COMMUNICATION EQUIPMENT	139

3917000 Transportation	206,819
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3406010 Mainframe Computer	5,167
3406020 Mini Computers	18,711
3406110 Comp Sys Cost	1,891
3406120 Micro Sys Cost	1,061

Total Plant	\$ 25,574,791
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**WATER**

Bill codes by area	Gallonage	Usage Charge	Units	BFC	Revenues
30001 5/8" Res Water	99,748,350	3.24	17,292	10.00	\$ 496,105
30002 5/8" Res Water Dist	188,741,828	1.85	32,808	10.00	\$ 677,252
30003 5/8" Res. Under Const.	57,710	3.24	12	10.00	\$ 307
30006 5/8" Res Water (per unit)	13,276,880	1.85	2,532	10.00	\$ 49,882
30008 5/8" Coml Water Dist	2,593,505	1.85	312	10.00	\$ 7,918
30009 5/8" Coml Water	640,980	3.24	144	10.00	\$ 3,517
30010 1" Coml Water	14,950	3.24	12	25.00	\$ 348
30011 1" Coml Water Dist	1,501,120	1.85	48	25.00	\$ 3,977
30016 2" Coml Water Dist	6,189,590	1.85	120	80.00	\$ 21,051
30017 3" Coml Water Dist	1,695,600	1.85	12	160.00	\$ 5,057
46001 5/8" Res Water	101,366,139	1.85	20,592	10.00	\$ 393,447
46005 2" Res Water	17,509,290	1.85	7,680	10.00	\$ 109,192
46006 5/8" Res Flat Rate	0	0.00	12	10.00	\$ 120
46009 5/8" Coml Water	6,733,200	1.85	792	10.00	\$ 20,376
46010 1" Coml Water	3,457,146	1.85	216	25.00	\$ 11,796
46012 1.5" Coml Water	5,666,700	1.85	144	50.00	\$ 17,683
46013 2" Coml Water	14,865,970	1.85	240	80.00	\$ 46,702
46014 3" Coml Water	4,276,500	1.85	48	160.00	\$ 15,592
<b>Total</b>	<b>468,335,458</b>		<b>83,016</b>		<b>1,880,323</b>

per t/b	\$	1,820,651
difference \$	\$	59,672
difference %		3.28%

**SEWER**

Bill code	Gallonage	Usage Charge	Units	Rate	Revenues
<u>All Subs:</u>					
29521 Residential Sewer			1,800	30.33	\$ 54,594
29552 Salem Church Road - New Account Charge			0	13.50	\$ -
30021 5/8" Res Sewer			49,034	30.33	\$ 1,487,186
30023 2" Commercial-per SFE			2,376	30.33	\$ 72,064
30024 5/8" Res Sewer Collection			6,434	19.38	\$ 124,681
30041 5/8" Res Sewer			49,848	28.86	\$ 1,438,613
30042 5/8" Mobile Home Sewer			540	21.64	\$ 11,686
30043 5/8" Coml Sewer-per SFE			1,022	28.86	\$ 29,495
46021 5/8" Res Sewer			27,144	19.38	\$ 526,051
46022 County Sewer Treatment			48	19.38	\$ 930
46023 5/8" Coml Sewer Collection-per SFE			1,128	19.38	\$ 21,861
30045 Pumping Charge (LETTS Tanks)			24	150.00	\$ 3,600
Total			139,397		\$ 3,770,761

per t/b	\$	3,760,081
difference \$	\$	10,680
difference %		0.28%

**WATER**

Bill code	Gallonage	Usage Charge	Units	BFC	Revenues
<u>All Subs:</u>					
30001 5/8" Res Water	101,461,167	3.32	17,985	10.25	\$ 521,296
30002 5/8" Res Water Dist	192,501,618	1.90	34,122	10.25	\$ 714,785
30003 5/8" Res. Under Const.	70,410	3.32	12	10.25	\$ 362
30006 5/8" Res Water (per unit)	14,856,562	1.90	2,633	10.25	\$ 55,164
30008 5/8" Coml Water Dist	1,830,666	1.90	324	10.25	\$ 6,798
30009 5/8" Coml Water	844,923	3.32	150	10.25	\$ 4,341
30010 1" Coml Water	70,410	3.32	12	25.62	\$ 554
30011 1" Coml Water Dist	281,641	1.90	50	25.62	\$ 1,813
30016 2" Coml Water Dist	704,102	1.90	125	82.00	\$ 11,569
30017 3" Coml Water Dist	70,410	1.90	12	164.00	\$ 2,180
46001 5/8" Res Water	120,823,986	1.90	21,417	10.25	\$ 448,636
46005 2" Res Water	45,062,559	1.90	7,988	10.25	\$ 167,324
46006 5/8" Res Flat Rate	70,410	0.00	12	10.25	\$ 128
46009 5/8" Coml Water	4,647,076	1.90	824	10.25	\$ 17,255
46010 1" Coml Water	1,267,384	1.90	225	25.62	\$ 8,160
46012 1.5" Coml Water	844,923	1.90	150	51.25	\$ 9,278
46013 2" Coml Water	1,408,205	1.90	250	82.00	\$ 23,139
46014 3" Coml Water	281,641	1.90	50	164.00	\$ 8,721
<u>All Meters</u>					
Total	487,098,096		86,342		\$ 2,001,504

Difference	\$	121,182
% Increase		6.66%

SEWER

Bill code

All Subs:

29521 Residential Sewer  
30021 5/8" Res Sewer  
30023 2" Commercial-per SFE  
30024 5/8" Res Sewer Collection  
30041 5/8" Res Sewer  
30042 5/8" Mobile Home Sewer  
30043 5/8" Coml Sewer-per SFE  
46021 5/8" Res Sewer  
46022 County Sewer Treatment  
46023 5/8" Coml Sewer Collection-per SFE  
30045 Pumping Charge (LETTS Tanks)

Total

Units	Rate	Revenues
1,872	40.92	\$ 76,606
50,998	40.92	\$ 2,086,820
2,471	40.92	\$ 101,120
6,691	26.15	\$ 174,953
51,845	40.92	\$ 2,121,485
562	29.20	\$ 16,397
1,063	40.92	\$ 43,495
28,231	26.15	\$ 738,155
50	26.15	\$ 1,305
1,173	26.15	\$ 30,675
25	150.00	\$ 3,744
143,109		\$ 5,394,755

Carolina Water Service of South Carolina

Schedule F

	<u>Current Customers</u>	<u>Projected Customers</u>
Water	5,733	5,963
Sewer	9,779	10,171





BOARD:  
Elizabeth M. Hagood  
Chairman  
  
Mark B. Kent  
Vice Chairman  
  
Howard L. Brilliant, MD  
Secretary



Exhibit C

BOARD:  
Carl L. Brazell  
  
Louisiana W. Wright  
  
L. Michael Blackmon  
  
Coleman F. Buckhouse, MD

C. Earl Hunter, Commissioner

*Promoting and protecting the health of the public and the environment.*

November 29, 2004

Mr. John M.S. Hoefer  
Willoughby & Hoefer, P.A.  
PO Box 8416  
Columbia, SC 29202-8416

RE: Your letter of November 24, 2004 (copy enclosed)  
List of CWS Water and Wastewater Facilities

Dear Mr. Hoefer:

These facilities all have valid DHEC permits under R.61-9 and R.61-58.

I can be reached at 803-898-4157 or at debessjp@dhec.sc.gov.

Sincerely,

Jeffrey P. deBessonnet, P.E., Director  
Water Facilities Permitting Division